GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:170
ANSWERED ON:29.11.2001
FREIGHT SUBSIDY AFTER DISMANTLING OF APM
YEMPARALA VENKATESWARA RAO

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether his Ministry is working out a strategy to continue freight subsidy even after the dismantling of administered price mechanism on petroleum products;

(b) if so, whether this is likely to avoid fluctuation in the prices of petroleum products ;and

(c) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) The Government Resolution of 21st November, 1997 on the dismantling of the Administered Price Mechanism, envisages freight subsidy on supplies to the far-flung areas to be met from the fiscal budget of the Government with effect from 1.4.2002.

(b): The objective of providing freight subsidy is to absorb the impact of freight in the consumer prices in far flung areas.

(c): The details in this regard are being finalized.